GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4280
ANSWERED ON:15.12.2000
REVENUE EXPENDITURE
RADHA MOHAN SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether funds are being borrowed more to meet the revenue expenditure;

(b) if so, the reasons therefor;

(c) its impact on our economy; and

(d) the steps have been taken to reduce the revenue expenditure ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a)&(b) As may be seen from the `Budget at a Glance, 2000-01` tabled in the House on 29th February, 2000, the capital expenditure is budgeted to be Rs.57389 crore whereas net borrowings (fiscal deficit)is budgeted at Rs. 111275 crore. Thus a portion of borrowings is being used to finance revenue expenditure.

(b) High levels of Government borrowings decrease the availability of resources for capital formation in the economy, crowd out private investment and put pressure on interest rates.

(d) It is the constant endeavour of the Government to contain the gap between receipts and expenditure by maximising revenues and controlling non-productive expenditure.